

FRENCH INDO-CHINA

budgets are being restored so as to show the taxpayers the utility of their sacrifice. This is a complete reversal of Sarraut's pre-War financial policy.

The year 1931 saw for the first time a deficit in the budget, which was aggravated the following year. Salary cuts ordered by Pasquier aroused the usual fulminations from the functionaries. Devaluation of the piastre and subsidies to planters were the only positive counter-suggestions they offered. An enormous loan was authorized in 1931, so that the public works programme should not suffer cuts, and the military subsidy to France was renounced. Draconian economies—there

was a 29 per cent cut in personnel expenditures from 1931 to 1935—ordered by Pasquier and Robin, some slight tax reductions, the institution of a Colonial Lottery in 1936, and the mildest of income taxes, have retrieved, at least temporarily, a budgetary balance. For the first time since the depression in 1935 and again in 1936, the budget was balanced, and even a small surplus found its way into the reserve fond. UBS was as true of local, railway, and municipal revenues as for the federal income. The sum total of the General Budget for 1937 is only 61,661,370 piastres. This is small when compared with its pre-depression colleagues, and even so represents a substantial increase over the preceding year, due to the restoration of salary cuts to French and native officials. The 1937 budget indicates a greater sense of financial relaxation. The fundamental evils of an over-padded bureaucracy, unproductive expenditures, and fiscal interests that triumph over good native policy have, as yet, been only too lightly

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France conquered QMiib-China, tariff conceptions in France had undergone a profound change. Hie Franco-British treaty of six years later by the *Smafysts-Cmmlte*, had abrogated the hst of the Colonial Pact. TTie colonies of that period *the* of free export to foreign countries and free entry of France—wMi the exception of sugar and its deriv- did not oajoy all these new privileges, but hail for to free trade. Prosperity charafeferi25ed *fr&m* five to twenty-seven millions ia the 2867 ^{to} *8%» the of the ZadcM[^]biaa's tariff regime began to be % ,iniiiufrfcimex«, who felt that they